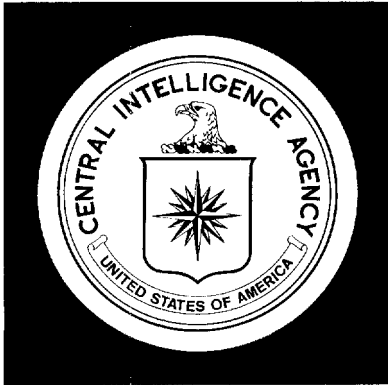


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DIRECTORATE OF  
INTELLIGENCE

# *WEEKLY SUMMARY*

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13 October 1972  
No. 0391/72

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25X1 The WEEKLY SUMMARY, issued every Friday morning by the Office of Current Intelligence, reports and analyzes significant developments of the week through noon on Thursday. It frequently includes material coordinated with or prepared by the Office of Economic Research, the Office of Strategic Research, and the Directorate of Science and Technology. Topics requiring more comprehensive treatment and therefore published separately as Special Reports are listed in the contents.

### WARNING

The WEEKLY SUMMARY contains classified information affecting the national security of the United States, within the meaning of Title 18, sections 793 and 794, of the US Code, as amended. Its transmission or revelation of its contents to or receipt by an unauthorized person is prohibited by law.

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## EGYPT-USSR: BACK TO ACRIMONY

3 [Egyptian complaints against the Soviet Union have been renewed despite Prime Minister Sidqi's scheduled arrival in Moscow on 16 October. A Beirut weekly published an interview on 5 October in which President Sadat is quoted as saying that he brought the Soviet military presence in Egypt to an end because the Soviets would not fight and had become "a burden to us." Sadat said the decision was intended to let the Kremlin know that Soviet strategy in the Middle East could not be fulfilled at Egyptian expense.]



Sadat

2. [Following this presidential blast, the editor of the Egyptian newspaper, *Akhbar al-Yawm*, whose criticism in late August and early September riled the Soviets, renewed his attacks on Moscow last weekend. The editor Ihsan Abd al-Quddus, resurrected charges that the Soviets had failed to supply Egypt with necessary arms. "Weapons that are not sufficient for a state to fight the war that has been imposed upon it are mere pieces of jewelry," he said.]

3 [Cairo's public recriminations before Sidqi's arrival in Moscow may be a signal to the Soviets that the problems that led to the ouster of their military mission have not been resolved. Cairo may also intend its comments as a warning to Iraq and Syria of the dangers involved in too close a relationship with the Soviets.]

4 [The Soviets, playing it cool, have not responded to the new Egyptian criticisms and it appears that both are interested in some sort of reconciliation. The process could be difficult, and it will not be helped by the latest flurry of press attacks. Quddus' remarks about inadequate Soviet arms could indicate that the Egyptians intend to renew their requests for more sophisticated military hardware during the Sidqi talks in Moscow. If so, this is likely to add another point of contention to the reconciliation process. Quddus seemed to warn against too much optimism regarding a possible Egyptian-Soviet summit when he speculated that under certain circumstances such a meeting might be "considered useless." ]

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## THE PHILIPPINES: SUSPENDED ANIMATION

10 [The Philippine population continues to show little sign of overt opposition to President Marcos' martial law declaration. The political arrests and stringent press censorship have not really impinged on the daily affairs of the average citizen. The long-suffering man in the street in Manila and elsewhere has, in fact, been gratified by improved conditions of law and order. He remains skeptical, however, and is waiting to see whether Marcos will indeed carry out the "New Society" reforms he has promised.]

11 [Most of the reforms announced by Marcos—land reform, a streamlined bureaucracy,

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enforcement of gun control—are much needed and highly popular. Thus far, however, he has made mainly token gestures toward implementing them, and it is by no means certain that he is willing or able to challenge directly the fundamental economic and political interest groups that are responsible for much of the injustice in Philippine society. }

Ⓒ [Land reform, for instance, has existed in one form or another since 1963, but it has not been vigorously put into effect. }

Ⓒ [Marcos' actions since declaring martial law indicate that at this point he remains more concerned about his political future than the country's economic problems. He is pushing the Constitutional Convention to finish its business so that the new document will be ready for ratification by a popular referendum; no date has been set ]



Marcos

the future he will always be tempted to fall back on martial law again whenever his political control seems threatened. At the same time, Marcos' challengers—both within and outside the Filipino establishment—may be pushed to the conclusion that conspiracy and violence are the only means to achieve power. Communists and other extremists have long been advocating this line, and their credibility has now been enhanced.

Even assuming Marcos encounters relatively smooth sailing, the imposition of martial law has permanently changed the Philippine political equation. Marcos apparently now sees himself as long-term strong man—whether as president, prime minister, or commander in chief—and in

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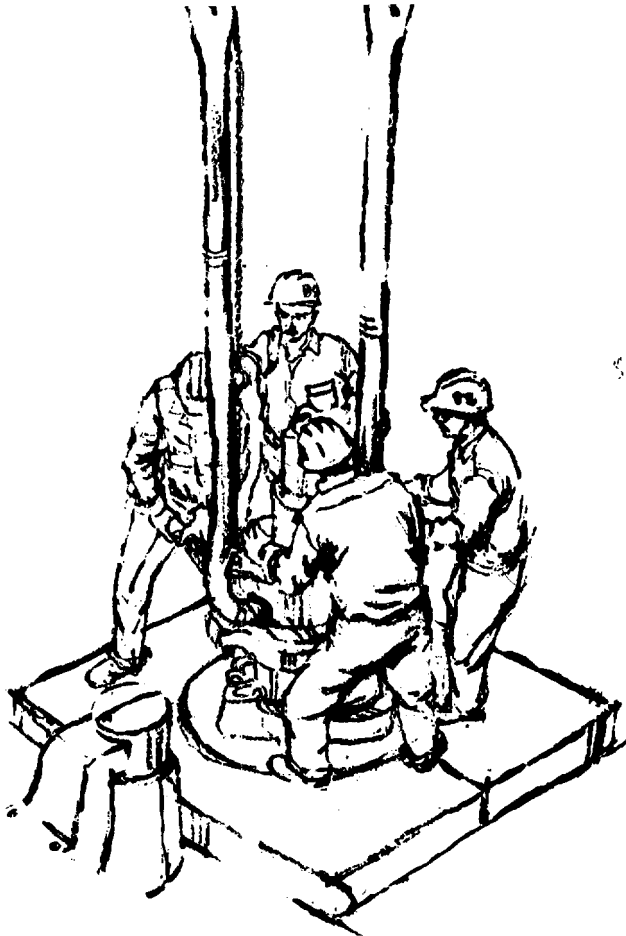
## INTERNATIONAL OIL DEVELOPMENTS

4 + 6 [The new look in the international oil business moved a step forward last week with a tentative agreement that provides for participation by the Arab Persian Gulf members of the Organization of Petroleum Exporting Countries in Western oil company operations within those states. Saudi oil minister Yamani negotiated the pact on behalf of Saudi Arabia, Kuwait, Iraq, Abu Dhabi and Qatar, but the final agreement will not be signed until the five governments have ratified it.]

4 + 6 [Under the tentative agreement, participation reportedly will begin at 25 percent, increasing gradually to 51 percent by 1983. Compensation to the companies probably will be considerably

above net book value—a compromise between the two earlier positions. However, it will be substantially less than the full value of assets, including estimated oil reserves that the companies wanted. The companies will market a large part of the governments' share, at least in the first few years.]

4 + 6 [Yamani believes that the Iraqis may balk at the tentative agreement, presumably because of the compensation arrangements. The nationalized Iraq Petroleum Company and Baghdad had hoped the participation agreement would provide an opening for the settlement of their dispute, and an Iraqi rejection of the pact would complicate the matter. The company, trying to avoid a show-down while ratification is pending, recently announced that the moratorium on legal action against purchasers of the nationalized crude oil will remain in effect through December.]



6 [Libya has jumped in with its own version of participation by demanding 50-percent ownership in the Bunker-Hunt Oil Company. Bunker-Hunt, once in partnership with British Petroleum in Libya, was given until 19 October to respond. The demand, which follows Tripoli's recent agreement with the Italian state oil company for fifty-fifty partnership, probably will be made, in turn, on the other companies in Libya. Bunker-Hunt is clearly a logical choice for Libya to begin its participation discussions. The company is small and, in effect, is already a working partner with a Libyan national company, successor to British Petroleum: Bunker-Hunt has no written agreement and little say in operations. All the companies including Bunker-Hunt probably will adopt a unified stand in resisting the Libyan demands, even at the risk of complete nationalization, to avoid jeopardizing the tentative participation agreement with the Gulf states. In any showdown with Tripoli, the larger companies, with big operations in the Persian Gulf, probably will provide oil to the smaller companies, like Bunker-Hunt, which have little or no production outside Libya.]

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## INDOCHINA

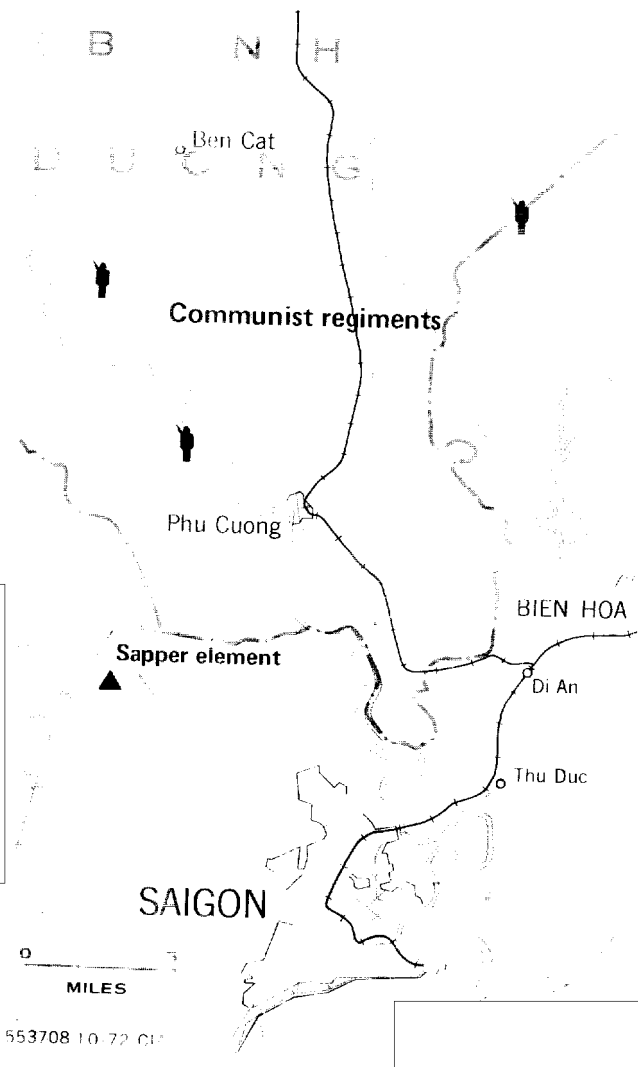
### WAR ON SAIGON'S DOORSTEP

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The Communists launched a series of hit-and-run attacks north of Saigon late last week. They are part of an expected October "high-point," designed

to put pressure on the South Vietnamese government and the US prior to the November elections. Government defense forces have clashed repeatedly with small Communist main force units around the town of Phu Cuong and at points along Route 13, less than 20 miles from the South Vietnamese capital. The Communists have been able to hold several hamlets briefly and have intermittently cut Route 13 north and south of Phu Cuong.

Much of the enemy fighting so far has been carried out by sappers and appears intended to mask the movement of additional main-force infantry units and supplies closer to Saigon. Elements of two regiments of the North Vietnamese 7th Division have been ordered to infiltrate populated areas in southern Binh Duong Province, but generally to avoid contact with government regulars for the time being. Sapper elements have moved into the south of the province. Most of the enemy troops are currently west and south of Phu Cuong along the Saigon River corridor, a traditional approach route into the Saigon area.

and have cleared portions of Route 1 that connect the province's five battered district capitals along the coast. In neighboring Quang Tin Province government forces have moved back into Tien Phuoc district capital, which had been held by the Communists for nearly a month. Farther north, in Quang Tri Province, South Vietnamese Marines captured a district capital just north of Quang Tri City in a limited offensive operation last weekend.



### Gains in the Northern Provinces

South Vietnamese regulars in Quang Ngai Province have recaptured Landing Zone Dragon

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120 [There has been some enemy resistance to South Vietnamese operations in this region, but the Communists appear to be primarily concerned with stockpiling supplies and regrouping their forces.]

people. Those affected live mostly in the suburbs around such cities as Hue, Da Nang and Qui Nhon and do not include some 42,000 people in district towns such as Loc Ninh and Dong Ha that have come under Communist control.]

#### Security Slippage During Offensive

1207 [The government's pacification statistics indicate that local security declined significantly in both urban and rural areas during the first five months of the Communist offensive.] [The statistics are from the government's Hamlet Evaluation System, an admittedly imprecise measuring tool, but one that provides a general picture of pacification trends.] In March, just before the offensive was launched, the vast majority of the 6.5 million urban residents in South Vietnam were listed as living under full or partial government control. By August, the statistics show, the Communists had greater access to almost half a million of these

1209 [In the countryside, the deterioration of security has been more pronounced. In March, the Hamlet Evaluation System listed some 11.5 million rural residents as under full or partial government control; by August the figure had dropped almost a million. Concurrently, the number of people living under full or partial Communist control more than doubled to over 1.7 million.]

1211 [Close to two million rural and urban residents now either live in less secure conditions or are under greater Communist control than they were in March of this year.] The effect on the government's pacification program will be severe,



Communist Attack

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especially since several hundred key pacification officials have been killed, captured or forced to move. In Binh Dinh Province where the fighting has been very heavy, no village governments are currently operating in the northern three districts and only 36 of the remaining 55 elsewhere in the province are functioning. This disruption of local leadership, together with the increased Communist presence, will make the government's job of rebuilding its position in the countryside long and arduous.

#### LAOS: THE COMMUNISTS ATTACK AGAIN

The North Vietnamese this week launched a major ground attack in North Laos against Vang Pao's only task force on the Plaine des Jarres. Preliminary reports on 12 October indicated that most forward units of the 2,700-man government

force on the southern tip of the Plaine were retreating after they had been hit with a large-scale ground assault supported by tanks and artillery.

The three other regular task forces operating near the Plaine are making little progress. Elements of one task force trying to move back toward the Plaine from the west have been unable to push through Communist blocking positions. Irregular units from the government's isolated stronghold at Bouam Long managed to move into positions overlooking Route 71, a major Communist supply route north of the Plaine, but most of them quickly withdrew when they came under Communist attack.

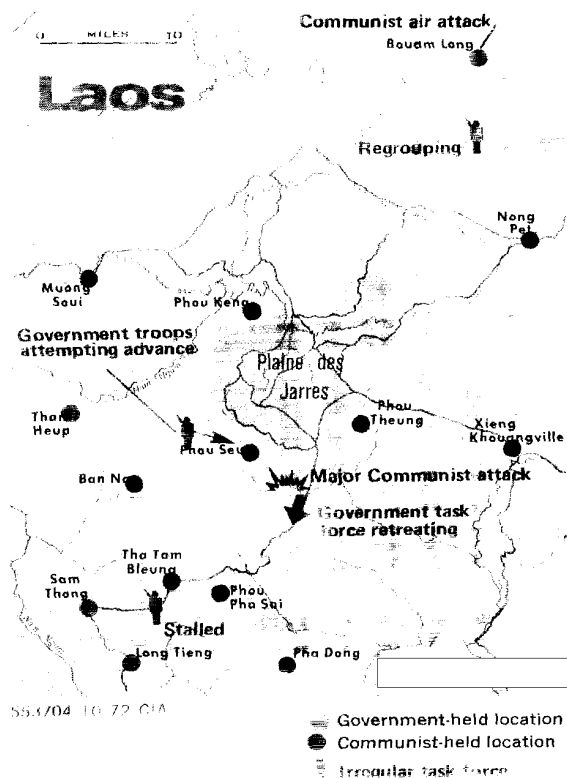
The Communists carried out an air strike against Bouam Long itself on 9 October, the first Communist air attack in north Laos in four years. The brief bombing and strafing attack did not cause any substantial damage or casualties.

#### Preparation for Possible Peace Talks

While the conflict in the north drags on, government and Lao Communist representatives in Vientiane have been moving ahead with arrangements to receive a Pathet Lao negotiating delegation that is scheduled to arrive in the Lao capital on 14 October. The delegation will be headed by Phoune Sipraseuth, a high-ranking Lao Communist leader. He was also Souphanouvong's representative in September 1970 when an earlier effort was made to get talks started. Chief government negotiator Pheng Phongsavan and Lao Communist representative Soth Phetrasy recently announced that they have agreed on such matters as housing for the Communist delegation and a site for the talks in Vientiane.

#### CAMBODIA: AN UNHAPPY ANNIVERSARY

Cambodians had little to cheer about as the Khmer Republic began its third year on 9

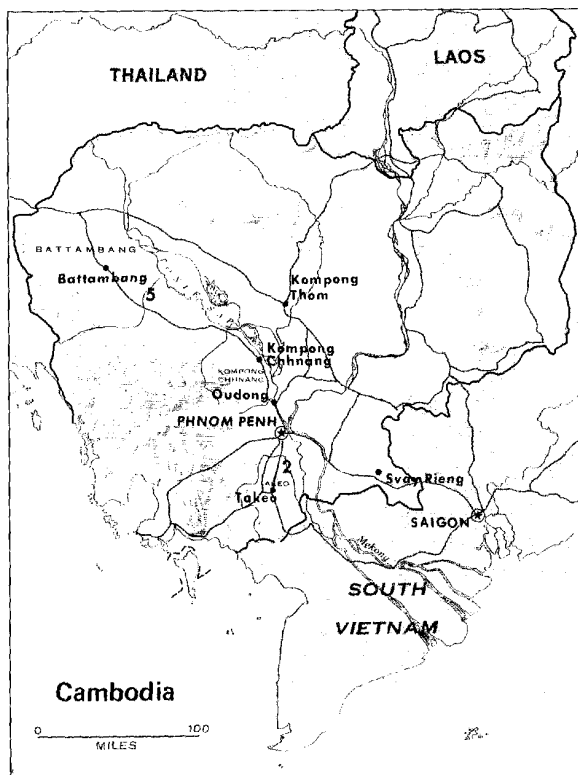


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October. In a dramatic prelude to the anniversary, Vietnamese Communist sappers on 7 October carried out a destructive raid in Phnom Penh's northern quarter. The attack, which was the first significant Communist ground action in the capital area since early May, resulted in considerable damage to one of Phnom Penh's two major bridges and in the loss of several Cambodian Army armored personnel carriers. Government security troops claimed they killed most of the estimated 100-man sapper force. Nonetheless, the ease with which the Communists struck raised fresh public concern over the government's military capabilities. ]

30 [The Cambodian Army also continued to fare poorly against the Communists on battlefields in the countryside. In Takeo Province, attacks by Vietnamese and Khmer Communist troops disrupted government operations aimed at clearing a portion of Route 2 and forced the Cambodians to withdraw from their few remaining outposts on the highway between Takeo and the South Vietnam border. The Communists probably are trying to expand their logistic corridor that runs through this area into the South Vietnamese delta. ]



30 [In the northwest, government units in Kompong Chhnang Province made no real progress in their efforts to reopen a short stretch of Route 5 between Kompong Chhnang City and the town of Oudong. Even if the Communists should be driven away from the highway, however, several damaged bridges will have to be repaired before regular truck convoys can move rice from Battambang Province to Phnom Penh. ] Since these repairs probably cannot be completed until early next month, the government will have to continue to rely on uncertain deliveries of imported rice to maintain Phnom Penh's reserves. ]

#### Preparing a New Government

32 [In addition to trying to cope with mounting military and economic problems, Lon Nol has had

no little difficulty in forming a "government of national union"—which he reportedly hopes to unveil as soon as possible. The President's efforts to enlist the services of such prominent oppositionists as Republican Party chief Sirik Matak and Democratic Party head In Tam have been complicated by some key members of his own Socio-Republican Party, who are reluctant to share any power or authority with rival political groups. As things now stand, if any Republicans or Democrats do enter the government, they probably will be given relatively minor portfolios in what will be a reshuffled cabinet rather than a more effective coalition government.

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### FAVORABLE FALL FAIR FORECAST

The month-long fall session of the semi-annual Canton Trade Fair opens on 15 October and is expected to match or surpass the spring fair when a record of over \$1 billion in contracts were signed. The Chinese economy has been performing well—industrial production is running roughly 10 percent higher than in 1972—and interest in trade with China is growing. Chinese export contracts could surpass the \$700-\$800 million level of the spring fair.

The Canton Fair has been reverting to its role of being primarily an export fair, and no large increase in Chinese import contracts is anticipated over the spring total of \$300-\$400 million. Negotiations in Peking and purchasing missions abroad are assuming a greater role in Chinese purchases.

Attendance may exceed the record 8,000 traders who came this spring, as China continues to expand its economic relations with non-Communist countries. Japanese businessmen will again be the largest contingent and may improve on the \$200 million in contracts signed in the spring. More representatives from the less-developed countries are expected, and purchases should rise. A number of these countries will order goods under Chinese aid agreements to be sold at home to finance local costs of Chinese aid projects.

The US contingent at this fair will probably exceed the group of about 30 that attended the spring fair. Some 15 US businesses are known to



Inspecting machine display

have received invitations. As with the spring fair, these are mostly small firms and trading companies primarily interested in imports. This spring, US importers purchased about \$5 million in Chinese goods, mostly foodstuffs, fireworks, carpets and drugs. Since these firms are now more familiar with Chinese trade procedures and with the demand in the US for Chinese goods they are likely to buy more. Higher import tariffs for Chinese goods and labeling requirements by the Food and Drug Administration for foodstuffs, however, may discourage some traders. No major Chinese purchases of US goods are expected at the fair although three major US export firms will be represented. RCA and Western Union will probably discuss future Chinese purchases of communications equipment and the textile division of Monsanto will explore the market for its products in China.

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## KOREA: FRUSTRATION IN PYONGYANG

37 [North Korea has adopted a tougher propaganda line on North-South negotiations, probably because of its dissatisfaction with the recent round of Red Cross talks and its defeat on the Korean question in the UN.] Echoing comments by Kim Il-sung in a recent interview, Pyongyang now claims that the South is refusing to implement the agreement to achieve national unification contained in the joint communique on 4 July.



North Korean Red Cross Delegation Convoy

36 { North Korean spokesmen at home and abroad are alleging that Seoul's military preparedness exercises, its continued reliance on the UN and US military presence, and the existence of anti-Communist laws and emergency legislation are in direct violation of the agreement. Like the Kim interview, the recent propaganda stops short of threatening to break off the negotiations. Its threatening tone, nonetheless, points up Pyongyang's frustration with the talks and lays the groundwork for blaming Seoul for anything that goes wrong in the future. }

37 {Pyongyang will probably raise these charges at this week's initial meeting of the co-chairmen of the high-level Coordinating Committee, but the charges will have little impact on Seoul. The South Koreans are confident of their ability to deal with the North and are likely to counter with allegations of their own that Pyongyang's invective is a violation of the spirit of the joint

communique. Seoul is determined to preserve its present policies despite the North Korean pressure. This determination was underscored by President Pak Chong-hui in his 1 October Army Day address. He stressed that the nation must continue to build its military and moral strength to deal with the North Korean Communists.

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## BURMA: ON EDGE

3 {Government anxiety over possible terrorist activity by rebels supporting exiled prime minister U Nu has led to large-scale arrests of suspected U Nu sympathizers. Up to 1,200 may now be under detention. Foremost among them is ex-Brigadier Aung Gyi, once a colleague of Prime Minister Ne Win but out of favor for nearly a decade because of opposition to Burma's socialist course. }

40 [The current jitters were touched off by the arrest in Rangoon last week of an infiltrator who described a program of armed terrorism in the capital to be carried out by saboteurs trained in the exiles' bases in Thailand.] A subsequent announcement over the rebel radio that this would begin on 10 October added to the government's case of nerves. Until recently, the threat posed by U Nu's resistance movement along the Thai border has been discounted, with some justification, by Rangoon. The government has been disturbed by deeper rebel penetrations which may be aimed at exploiting the unrest caused by Burma's rice shortage. }

37 {The government probably feared that those arrested would become focal points for open popular resistance—something which has so far been prevented by tight security controls. The extreme overreaction on the part of the government could be due in part to Ne Win's depression following the sudden death of his wife on 1 October. The prime minister, prone to paranoid behavior under the best of circumstances, may now become even more erratic, adding to the atmosphere of instability in Rangoon.

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## JAPAN: AN EYE ON THE POLLS

411 {Despite Prime Minister Tanaka's repeated assurances that general elections will not be called until 1973, the government's decision to schedule an extraordinary session of the Diet paves the way for elections this year. The Diet, which will convene on 27 October to review the Honolulu and Peking summits and to pass a supplementary budget, could be dissolved in early November, allowing the vote to be scheduled as early as the first week in December.}

412 {Stimulated by the influential press, an election mood has seized the country and increasing numbers of ruling Liberal Democratic Dietmen believe that the election will take place soon. Tanaka's close advisers are engaged in detailed planning for the election, and last week Komeito party officials reportedly moved their campaign apparatus into full gear. The Socialists and Communists have been preparing since last July.}

413 {By calling elections this year, the ruling party would be trying to capitalize upon the

"Tanaka boom." The prime minister is receiving unprecedented support in the national polls, but as the glow of the Sino-Japanese summit begins to dim, media and public attention will begin to focus on domestic affairs, and the Tanaka administration is more vulnerable to charges that it has failed to deliver on promises of reform at home. Postponement until next year could have one advantage for the government, the opposition parties with limited war chests will probably have spent their campaign resources by early 1973. }

414 {Whatever Tanaka decides on timing elections, the Liberal Democrats may well lose upwards of 20 Diet seats, restoring to the Socialists part of the massive losses they suffered in the last election in December 1969. Nonetheless, the ruling party will retain a comfortable majority in the Lower House. It would still be a vote of confidence and should strengthen Tanaka's hand in implementing controversial trade adjustment and environmental cleanup programs. }

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## SOVIET HARVEST PROBLEMS PERSIST

The grain harvest is still behind schedule. Deteriorating weather conditions jeopardize its completion. According to the Soviet press, as of 2 October only 91 percent of the crop had been threshed compared with 98 percent in an average year. One week later, all grain had been threshed in North Kazakhstan, leaving about 13 million tons to be harvested, primarily in the Urals and Siberia. Rain has complicated the harvest and overtaxed grain drying facilities in some areas. Since 5 October snow and sleet have fallen in parts of Siberia, threatening to halt harvest operations there. Although most of the unharvested crop could be salvaged in the spring, it probably would not be fit for human consumption.

ensure an adequate supply of food this winter. Hinting at the huge foreign grain purchases—about 28 million tons for delivery by mid-1973—an agricultural official said, "Additional measures have been taken to satisfy the nation's normal grain requirements." The Soviets are also reported to be buying an unprecedented one million tons of potatoes from Poland. The Soviet potato crop was another victim of the drought.

[The food supply situation in Moscow appears to have improved after a spate of reports in August of food shortages and high prices on Moscow's open markets. Provincial towns in the drought areas may still be having supply problems.]

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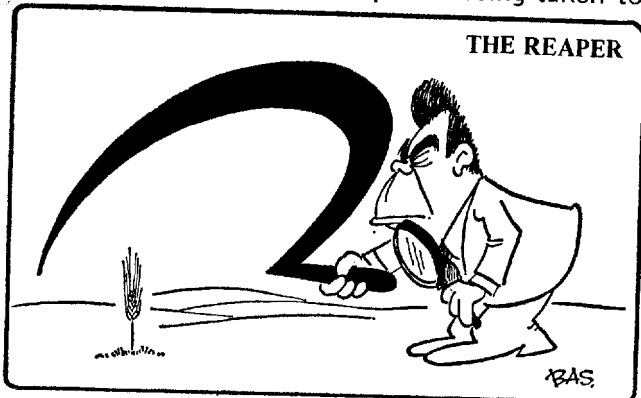
## YUGOSLAVIA: STILL MORE TRIALS

Croatian courts last week convicted nine former student leaders and put three intellectuals in the dock on charges of masterminding the attempted take-over of Croat political institutions in 1971.

Three of the student leaders received prison sentences of three to four years, while six lesser figures drew sentences ranging from six months to three years. Because most of them were charged with crimes carrying a maximum penalty of 15 years, the sentences were relatively light. The students' supporters, however, can find little to cheer about. The courts, aware that the student leaders will be eligible for reduced sentences pending good behavior, took the added precaution of forbidding them to address public rallies or the news media during the entire term of their sentence.

With the student leaders out of the way, the trials rolled on to the opening of the case against three Croat intellectuals who were active in the

The leadership is attempting to convince the Soviet consumer that all steps are being taken to



Frankfurter Allgemeine Zeitung

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§1 Matica Hrvatska (Mother Croatia) cultural society. These trials will produce a series of inflated charges, ponderous and sensation-seeking testimony from prosecution witnesses, flat denials by the accused, and, presumably, ultimate conviction. §2 One new wrinkle might be an attempt to revive charges that the intellectuals conspired with emigres and through them with Western intelligence. Recent terrorist acts by Croat emigres have created an atmosphere conducive to such charges.

§2 Once the Matica Hrvatska leaders have been dealt with, the regime in Zagreb will have disposed of most of the prominent Croatia-firsters. The decision to exempt Croatian party leaders, already purged, from trial seems to be holding firm, and the party next will address matters such as the upcoming third party conference. In view of the aura of depression in the republic, however, party leader Milka Planinc will proceed cautiously.

§2 Many in Belgrade will be glad to see the end of the political trials in Zagreb. They have caused adverse publicity in the West, produced unwelcome praise from the Soviets, and inspired a feeble effort by the Czechoslovaks to identify the trials of Dubcek supporters with those in Croatia. In Belgrade, as elsewhere, it is realized that the trials have not dulled the Croats' inbred sense of being dominated by the Serbs. [redacted]

#### EC: NINE FOR THE SUMMIT

§7 The six present and three prospective members of the European Communities will hold their first summit meeting in Paris on 19-20 October. §9 The meeting will affirm the already-agreed steps toward European economic and monetary union and will attempt to emphasize European integration after the setback in the Norwegian EC referendum and the French threats to postpone the summit.

§8 The most specific outcome will be the creation of a European Monetary Cooperation Fund, which would be an integral part of any future economic and monetary union of the nine. The fund has been a main objective of the French, but in order to get it, they had to compromise. The West Germans have been able to limit the fund, for the time being at least, to the provision of short-term credits to alleviate temporary financial difficulties. Bonn also successfully insisted that any movement toward monetary union include steps toward economic policy coordination, especially against inflation. High-level meetings in preparation for the summit have shown, however, that anti-inflation policies will be difficult to devise on a community basis.

§8 Any immediate strengthening of the EC institutions will likely be confined to a few minor changes. France and Germany have agreed not to raise the question of major institutional reforms, and the British are saying they need experience in the present bodies before suggesting changes. A political secretariat is unlikely to be discussed at all. France has demanded it be located in Paris; the others insisted on Brussels.

§5 Although the Dutch consider it a matter of "national interest" that the European Parliament be both strengthened and directly elected through universal suffrage, these issues are likely to be remanded again for further study. The UK, Italy, and Denmark will argue strongly for effective EC regional and industrial development policies that would increase the EC's jurisdiction, but it will take time to draw up meaningful programs.

§3 EC relations with the rest of the world will receive low priority at the summit. It is doubtful that the nine will establish mechanisms for consulting with the US beyond those that already exist. The summit may declare an intention to maintain favorable relations with the less developed countries by improving the EC's generalized preference system and increasing development aid. The summit will probably reaffirm an EC intention to participate constructively in the comprehensive trade negotiations on industrial and agricultural trade scheduled for 1973.

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}} The meeting will be important in the national context. Chancellor Brandt will be seeking to improve his European image before the West German elections on 19 November. President Pompidou can only hope that the accomplishments of the summit will counter his government's poor performance in the EC enlargement referendum last April and the failure of France to have its way on the political secretariat issue. The summit will, of course, provide a ceremonial welcome to Ireland, Denmark, and the UK, which become EC members on 1 January 1973, signifying a political success for the governments in all three countries.

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Lars Korvald

#### NORWAY: A MINI-COALITION

61 } The selection last week of Christian People's Party chairman Lars Korvald to form a 2½-party mini-coalition was the bare minimum Oslo could put together after the EC referendum brought down the previous government. The coalition, if realized, would have only 39 of the 150 seats in parliament, making it extremely difficult to govern until new elections next September.

60 } The coalition would bring together the Center and Christian People's parties and the five Liberal Party members who opposed EC entry in parliament. The Center Party, with 20 seats, would be the senior partner. The selection of Korvald to head the coalition probably was a sop to get his party to join the government. The Christian People's Party is conservative at home and supports Norway's participation in NATO and the UN.

62 } The addition of the large Conservative Party would have given such a government a majority in parliament, but such a coalition does not seem possible at this time. Conservative Party chairman Kare Willoch, whose party supported EC membership, has reiterated his position that only those parties which opposed EC entry should participate in the government which now has to negotiate an alternative free trade agreement. Former prime minister Bratteli has also blocked the participation of his Labor Party by vowing, before the referendum, not to participate in any coalition if Norway failed to enter the market.

61 } A farmer and teacher, Korvald, 56, has been chairman of his party since 1967. He is a rather colorless politician and has been mainly concerned with church affairs.

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# SWEDEN: ALL SMOKE AND NO FIRE

64 [Social Democrats, meeting in Stockholm last week, staged one of their most uneventful gatherings in recent history. Despite the participation of Madame Binh in the opening ceremonies and the plethora of pro-Hanoi sentiment, the rumored 63 concessions to the party's left wing failed to materialize. The party leaders skillfully deflected demands for immediate recognition of East Germany, North Korea, and the Viet Cong. The leftists did manage to carry the day on resolutions for defense cutbacks and an increase in foreign aid. Prime Minister Palme displayed firm control of the party by his careful management of the congress.]

63 [The party expressed serious concern over incursions by the Center Party into Social Demo-

cratic constituencies. Several Social Democratic officials, including Finance Minister Strang and labor organization chairman Geijer, criticized the Center Party's conservatism and spoke in dismay of the disappearance of inter-party cooperation. Center Party chairman Thorbjorn Falldin, who could head a non-Socialist coalition if the three opposition parties were to win the election next year, was the obvious target of such criticism. The popular Falldin poses a serious challenge to Palme, and the Social Democrats are trying to put down the competition.] They did not improve their position by much, since the congress failed to come up with specific suggestions to relieve 25X1 voter anxieties over high taxes, rising prices, and the soft job market, issues that promise to dominate the election campaign.



Madame Binh at Social Democrat demonstration

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### PORTUGAL: TIGHTENING UP

5 108 The new decree law strengthening the Portuguese political police, now known as the Directorate General of Security, will help the government deal with current problems and reflects increased concern about terrorist groups. The new law condones certain current police practices and confirms the directorate general's responsibilities in security matters. Some of this had been played down since Prime Minister Caetano reorganized the security police in 1969.

108 The new law raises the authorized strength of the political police by 13 percent and increases salaries. It also exempts them from the most important of the penal code reforms that became effective on 1 October, the same day the new law was issued. In those overseas territories where "grave subversive acts" are occurring, complete exemption is given. In Portugal itself, it is released from reform provisions such as the mandatory presence of a defense lawyer during interrogation of a suspect and the preparation of pre-trial fact-finding dossiers by a judge rather than the police.



Prime Minister Caetano

The law also sanctions the current practice of issuing arrest warrants and authorizes active and retired "higher functionaries" of the service to carry arms without a license.

65 These increased police powers represent an intent to deal more aggressively with several small but active terrorists groups whose sporadic attacks over the past two years have embarrassed the government. Last month, a communications station near Lisbon was bombed. In July, another bombing heavily damaged 13 new troop transport vehicles in Lisbon. The "revolutionary brigades," reportedly associated with a dissident Communist group in Algiers, claimed responsibility for these acts and for several acts of sabotage last year. Another terrorist organization, Armed Revolutionary Action, is reportedly linked to the orthodox Portuguese Communist Party. These terrorists have been setting off explosives since the fall of 1970. Both organizations aim to demonstrate opposition to the Caetano government, to the war in the African provinces, and to Portugal's link to NATO.

108 The limitations on civil rights imposed by the new law and the failure of the penal reform to cover political offenses swings Caetano further to the right. His earlier efforts to bring in new blood to modernize the government have been reversed. The undersecretary of state for planning, whose liberal reform proposals alarmed the far right, was pushed out in November 1971. Last August, Caetano removed from his cabinet the two chief economic reformers whose modernizing efforts threatened the monopolies of powerful regime backers. The government has also threatened to ban a number of the opposition-oriented cooperatives that have used their status as economic organizations to criticize the regime. Pre-publication censorship of the press has been extended indefinitely, although the press law passed last year had provided for its abolition. The organic law for the overseas provinces promulgated in May granted less autonomy than critics of the overseas relationship had wished; Caetano insisted on maintaining Lisbon's control.

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# SUDAN: CAIRO MEN GET THE AX

71 [The most important aspect of the cabinet changes in Khartoum this week is the ouster of the remaining ministers known for their pro-Egyptian sympathies. They have been in obvious trouble for some time as Sudan-Egypt relations have deteriorated over the past year. The immediate cause for their removal was the sharp attack in the Egyptian press late last month against Sudan's interception of Libyan troop transports en route to Uganda. Relations were moving toward an open break when Egypt requested Sudan to withdraw its units stationed along the Suez Canal. At the week's end, however, a final break had still been avoided.]

71 [Numayri had already purged a number of ministers and lesser officials who favor close ties with Cairo to demonstrate his displeasure with what he views as Egyptian meddling. The new government is ostensibly intended to set the stage for the convening on 12 October of a constituent assembly, the first since Numayri came to power in May 1969. The whole process is to lead to the drafting of a constitution next year.] In the cabinet reshuffle, Numayri retained the prime minister's post and the defense ministry. The key portfolios of foreign affairs, interior, and economy are held by carry-overs from the previous cabinet. 25X1

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**SECRET****THE YEMENS: ADEN LOSES AN ISLAND**

Relations between the two Yemens reached a new low following the seizure of Aden's Kamaran Island on 6 October by Adeni dissidents of the National Unity Front. The dissidents, who had the approval, and probably the support, of the Sana government, encountered little resistance and captured about 20 Adeni soldiers. Kamaran is more than 150 miles from Yemen (Aden), and lies only one and one-half miles off the coast of Yemen (Sana). It is sparsely populated, mostly by fishermen. It was occupied by the British in 1915 and administered by them from Aden until late 1967 when Yemen (Aden) became independent and succeeded to that responsibility.

Aden has charged that the take-over was the work of the army of Yemen (Sana) and has threatened to use force if Kamaran is not restored to Aden's control. Up to now, the Aden government has generally chosen to soft-pedal Sana's role in the activities of Adeni dissidents, preferring to place the blame on "mercenaries and reactionaries backed by imperialist powers." An attempt by Aden to recover Kamaran using military means seems out of the question, but Aden

may retaliate by occupying a portion of Sana's territory.

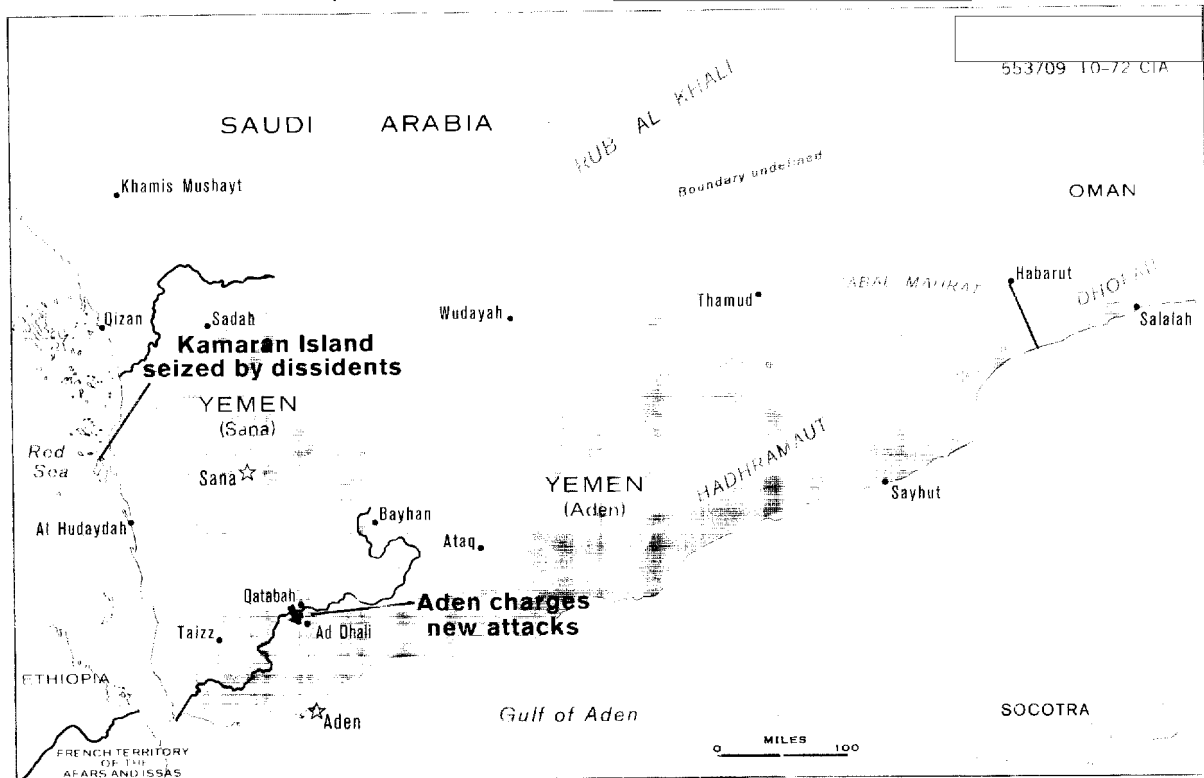
The border between the two Yemens saw further fighting during the week between dissidents, who are showing surprising persistence, and the Adeni Army. On 11 October Aden charged that attacks with armor and artillery had been resumed by the Yemen (Sana) Army in the Ad Dhali region—about 65 miles from the city of Aden. There is no confirmation of participation by Sana regulars in this fighting, and it may reflect continuing activity by National Unity Front dissidents known to be in the area. Pressure for action against Aden is building in Sana, according to the US Embassy there. New dissident incursions are considered likely and, in addition, there are reports that large numbers of Yemen (Sana) tribesmen are moving toward the border.

Meanwhile, a five-member contingent from the Arab League is now attempting to get the two Yemens to ease the fighting which began in mid-September. The mediators do not appear to have much chance for success.

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## UGANDA-TANZANIA: UNEASY TRUCE

80 [The peace agreement signed by the two countries last week in Mogadiscio has eased tensions a bit, but sharp differences remain and hostilities could easily recur.] Under the auspices of Somalia and the Organization of African Unity, Uganda and Tanzania agreed to cease all military and propaganda activities directed against each other and to withdraw all troops six miles from the border. Each of the two countries also agreed to refrain from harboring or allowing "subversive forces" to operate against the other and to release any nationals or property of the other side.]

80 Uganda and Tanzania have welcomed the truce, but it could easily be broken by new flare-ups. [The mutual withdrawal of troops is to be observed by Somali officials, but their presence will be only temporary. The pledge to stop providing refuge to "subversive forces" could be the major stumbling block.] Tanzanian President



Amin

77 Nyerere is unlikely to expel his friend Milton Obote, Uganda's ex-president, and his followers from Tanzania, from which they launched their abortive effort to overthrow Amin. There was no reference to Obote in the Mogadiscio agreement, but Ugandan President Amin has repeatedly said that there will be "no peace" between the two countries as long as Obote and his supporters remain in Tanzania.]

80 Any real resolution of the dispute between Uganda and Tanzania probably awaits a meeting between Amin and Nyerere. Nyerere, however, refuses to recognize Amin's government or to meet with the general. Amin, for his part, has agreed to such a meeting, but he continues to rail against Nyerere and Tanzania, most recently with charges that Tanzania and other countries are planning to invade Uganda next month.]

77 [Underscoring the fragility of the Mogadiscio agreement, Somali President Siad made quick trips to Kampala and Dar es Salaam immediately after the agreement was signed. Siad probably was urging Amin and Nyerere to move quickly to implement the agreement. He may have tried to soften Nyerere's stand on the Amin regime and to set up a meeting between the two, possibly at celebrations in Mogadiscio on 21 October marking the third anniversary of the Somali coup. Nyerere has accepted an invitation, but he probably will back out if Amin agrees to attend.]

80 [Meanwhile, repression of real or imagined opposition elements in Uganda continues. Several important Baganda tribesmen have been killed, detained, or have "disappeared." Acholi and Lango made up most of the guerrilla force that invaded Uganda last month, and many of their tribesmen have been murdered by army troops. The army itself is badly riven by tribal frictions, and discipline is uncertain. Some departing Asians are being robbed, beaten, or killed, and police have started to pick up university students. Security forces have avoided incidents with white residents during the past few weeks, but with Amin's announcement of a new invasion threat and the uneasy atmosphere in Kampala, the situation could quickly change for the worse.]

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### Malagasy Republic FIVE MORE YEARS

General Ramanantsoa's government received over 90 percent of the vote in the referendum on 8 October. The vote gives his government a five-year mandate and abolishes the office of president held by Philibert Tsiranana. Tsiranana had been only a figurehead since last May when student and labor demonstrators forced him to turn real power over to Ramanantsoa.

In the campaign leading up to the referendum the government took the line that an affirmative vote was a vote against Tsiranana, who is very unpopular. Ramanantsoa, nevertheless, has won considerable acceptance throughout the island and would probably have received a strong vote of confidence even if Tsiranana had not been an issue. The general has worked diligently to prevent conflict between Madagascar's major tribal groups, has tried to end corruption and improve government administration, has begun to move Malagasy citizens into positions held by French advisers, and is endeavoring to give his country a less French and more nationalist orientation in foreign policy.

Many problems remain not the least of which is the country's sagging economy. Ramanantsoa has not yet offered a precise economic program. The general is committed to changing the country's political institutions; to do this, he will have to bargain for support among the island's diverse interest groups. Many of the major political figures who supported Ramanantsoa in the referendum will probably differ with the government over the pace and direction of political and economic reform.

Ramanantsoa must also contend with the students and workers who brought him to power. The government has not yet responded to demands made by students and workers at a national congress in September. Many of these demands are too radical for the government to accept, and Ramanantsoa's strong showing in the referendum should strengthen his hand in resisting them.

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### ARGENTINA: PERON'S INITIATIVE

The Peronists and the military leaders have laid the foundation for serious negotiations on the coming elections and the government that will follow. Former dictator Juan Peron has offered a 10-point "reconstruction plan" that has elicited a favorable response from the Lanusse government. Peron's personal representative has stated that if an agreement can be reached, Peron will return to Argentina to sign it.

Several points in the Peronist document deal with issues on which there is already agreement or only a minor difference of opinion between the Peronists and the government. The points of agreement include the strengthening of national sovereignty, changes in economic and social policy, and lifting of the state of siege. The plan also includes many controversial issues, but even the points on which there is strong difference are couched in conciliatory terms.



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### PERON'S TEN POINTS

1. Immediate severance of all international ties that limit national sovereignty.
2. Urgent modification of economic/social policy.
3. Program for national reconstruction under the national economic and social council.
4. Precise definition of the future participation of the armed forces in national planning and reconstruction.
5. Re-examination of the constitutional amendments controlling "institutionalization."
6. All decisions on amnesties, abrogations, extraordinary laws to be the responsibility of the future government.
7. Designation of a senior military officer as minister of interior.
8. Formation of a commission to ensure the impartiality of the public media.
9. Lifting of the state of siege and liberty for all political prisoners.
10. Consultation and agreement with all political forces regarding the establishment of the electoral law and convocation of elections.

85 [President Lanusse has publicly characterized the 10-point plan as a "positive contribution to reaching a solution." ]

86 [The plan, in Lanusse's view, reflects Peron's effort to reach an accord with the government and avoid losing control of the Peronist movement, which would result if he tried to remain aloof from the elections. ]

84 [There are some points in Peron's plan that are clearly not negotiable from the government's point of view, such as the demand that all "political prisoners" should be released and that the law barring Peron's candidacy because he was not in the country on 25 August should be abrogated. Even so, Lanusse will probably try to be as forthcoming as he can.] 86 [The resignation of Finance Minister Licciardo could be one indication of a willingness to cooperate. The Peronist plan called for a loosening of controls on wages and credit and a tightening of controls on foreign business. The acceptance of Licciardo's resignation could mean that Lanusse is ready to move in this direction. ]

87 [The willingness of the Peronists and the government to open a dialogue is encouraging, but it is unlikely that an accord will be easily reached. The military and the Peronists have been unable to reconcile their differences in the 17 years since Peron was overthrown, and there are deep differences and long-held suspicions to be overcome. ]

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## CHILE: ALLENDE AFLOAT (not confirmed)

As the Allende government moves from one difficulty to another, it manages to retrieve enough chestnuts from the fires to stay viable. It manages to keep its opponents off base and to grasp the important levers of economic control more firmly in its own hands. The two chief assets in this process are Allende's own ability to feel his way through the Chilean political labyrinth and the Communist Party's steady consolidation of its role as the key party in the government.

The Kennecott attachment of payment for a shipment of Chilean copper to France has serious implications for a country in deep economic distress, but Allende's opposition has no choice but to rally behind him on this nationalistic issue. Indeed, he frequently finds the means to blunt the opposition's campaign to demonstrate that his coalition is governing Chile badly. Allende blurred even the official admission this week that this year the inflation rate had soared to 99.8 percent by 1 October. He told the Chileans that they must solve the country's difficulties by their own hard work and self-denial and then raised wages to equal the price increases. While the response to his urging is unlikely to be noticeable and opposition demonstrations continue to be impressive, a majority of Chileans still seem to consider Allende no worse than many of his predecessors.

At the same time, the President is drawing the armed forces into stronger identification with his administration. He announced on 7 October that the service commanders have developed a plan to integrate the military more fully into the country's economic development programs. In fact, he has cultivated the armed forces so assiduously that one magazine calls them Chile's pampered children.

Allende's task is wearing and he often betrays strain and impatience. His satisfaction in his office is, however, a strong restorative. Such experiences as receiving Angela Davis as well as the Joliot-Curie medal at the World Peace Conference in Santiago and playing the underdog in the

Kennecott and other widely publicized issues seem to offset his failures and keep him going.

Meanwhile, the Communist Party daily accurately gauges the situation and seldom misses an opening. Party leaders keep their perspective and are wary of setting off a reaction by appearing to have too much power. They see to it that their government responsibilities are for the most part efficiently handled and that political resentment of the party inside and outside the coalition is kept to reasonable proportions. The party knows that it is Allende's most reliable political support and takes particular satisfaction in his ability to keep the military from co-operating to unseat the government.

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Allende

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# ECUADOR: PETROLEUM PROBLEMS

92 [Several of the major oil companies currently engaged in exploiting Ecuador's Oriente oil fields are so disillusioned over the prospects for locating and developing large reserves and for gaining profitable concession terms that they are thinking of pulling out of the country. If they do, it will have a major impact on the military regime.]

98 [In September, AMOCO relinquished the rights to one of its concessions and will probably do the same with the other. The company has drilled two wells so far and both have been dry. The Anglo consortium has decided in effect to suspend drilling after the completion of its eighth well; only one of its first seven brought up a significant amount of oil.]

94 [Of the remaining 24 foreign companies, only Texaco-Gulf has thus far agreed to pay the recently announced higher rental rates. Texaco-Gulf is the largest single investor in Ecuador, having invested over \$300 million so far, including \$154 million for the construction of a trans-Andean pipeline; it is the only company that has actually shipped crude oil out of the country. Texaco-Gulf began shipping crude oil on 15 August and shipments have now reached 200,000 barrels per day; this figure should reach 250,000 by the end of the year. According to the present contract, Texaco-Gulf will keep 25 percent of the profits and give the government 75 percent.]

92 [Current negotiations between the oil companies and the government stem from the government's decision last June to apply retroactively the highly restrictive Hydrocarbons Law of October 1971 to existing contracts. The companies view this unilateral move as unfair, and in some cases, as precluding profitable operations. Protests have been futile, but the government may have to reconsider if more companies suspend operations as a result of unfavorable exploratory drilling.]

89 [The government has placed high—perhaps unrealistic—hopes on the revenues from the export of crude oil and will be hard pressed to justify a significant drop in production or expectations. Already, national newspapers have begun cautiously criticizing the government for pursuing an unwise policy toward foreign investors. The petroleum issue is a highly charged one, and the foreign companies have been extremely cautious in setting out their negotiating positions so as to keep charges of economic imperialism to a minimum.]



Texaco-Gulf  
Keeping at It

95 [Many of the foreign investors have reached the point where they must make critical decisions on further investments. Their deliberations have been complicated by the injection of higher rental rates and the possibility that recoverable oil reserves are significantly lower than the six billion barrels previously estimated. Texaco-Gulf has already invested so heavily that refusing to pay the higher rates and relinquishing its concessions would be economically unjustifiable. For the other companies, it is a question of continuing to operate in a high risk environment or cutting their losses by getting out now. Their decisions will be a major factor in determining the military government's direction and longevity.]

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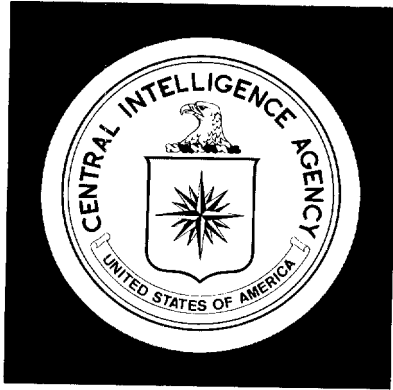
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DIRECTORATE OF  
INTELLIGENCE

# *WEEKLY SUMMARY*

## *Special Report*

*Yugoslavia: The Politics of Succession*

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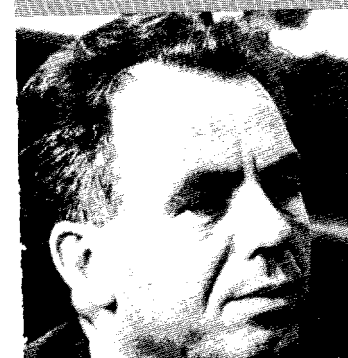
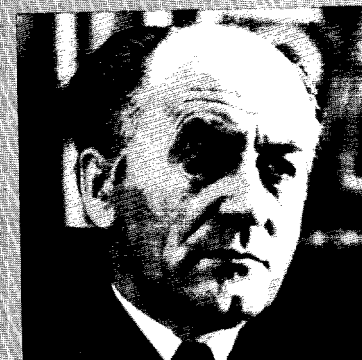
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## Yugoslavia: The Politics of Succession



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The succession in Yugoslavia will not be easy. The problems of a developing nation balanced between East and West and plagued with ethnic hatreds will compound the difficulties when President Tito passes from the scene. With an eye toward helping his countrymen surmount these obstacles, Tito has created a system of collective leadership in both the party and state. A hybrid mixture of Western liberalism and Communism, this system is anathema to the Soviets, an enigma to the West, and not really understood by all the Yugoslavs.

In fleshing out Tito's blueprint for governing, Yugoslavia has suffered challenges and setbacks, notably the bout with Croatian nationalism last year. With each challenge to date the system seems to have matured and gained resilience. In the background stands the military officer corps, which considers itself the guardian of the unity of Yugoslavia. The armed forces have repeatedly expressed a willingness to step in should the federation's existence be endangered and will be ready to do so in the succession period.

As a result of years of carefully planned personnel shifts, a large number of well-trained leaders with broad experience are available when Tito leaves. In spite of personality conflicts, animosities, and disagreements, most of them recognize that their home republics and provinces have no future outside the federation. On balance, they probably can be expected, even after Tito's steadying hand is removed, to pull together and prove that Yugoslavia is not just the impossible dream of an aging dictator.

#### **Tito and His System**

Tito has sought to build a nation-state where only a facade existed before and to ensure that the Yugoslavia he has built continues after him. The postwar record of accomplishments is impressive. Tito, in addition to defying Stalin, parlayed ambiguous terms such as "self-management" and "nonalignment" into political concepts that worked, for a while at least.

A crafty and gregarious self-made man, Tito possesses rare political talents and skills. He is dogmatic and can be arrogant, but Tito has keen instinct for sensing danger, knows when self-control is needed and, no less important, how to neutralize his opposition. Most significant for Yugoslavia's future, however, is his masterful ability to employ the skills of those around him.

Critics of the aging leader and his system argue that Yugoslavia is just a castle in the air that will be there only so long as he is around. Recognizing the problems that lie ahead, Tito has conscientiously sought to lay a solid foundation for his nation's future. He has created collective executive bodies in both the party and government in which genuine debate and give-and-take have become part of the decision-making process. Aware that collective governing bodies are only as good as the men who occupy them, Tito has instituted a system of rotating all major party and government assignments at two- to three-year intervals. This accomplishes two things: it prevents a potential political rival from emerging to challenge Tito's power and authority, and it brings the nation's most talented leaders to Belgrade from the republics and provinces for the benefit of the federation.

The net result is that Yugoslavia has a reservoir of well-trained men prepared to take over and operate the system Tito passes to them. Most of these men are equally adroit in handling party and state affairs. Many have held diplomatic posts in the East and West.

#### **The Party**

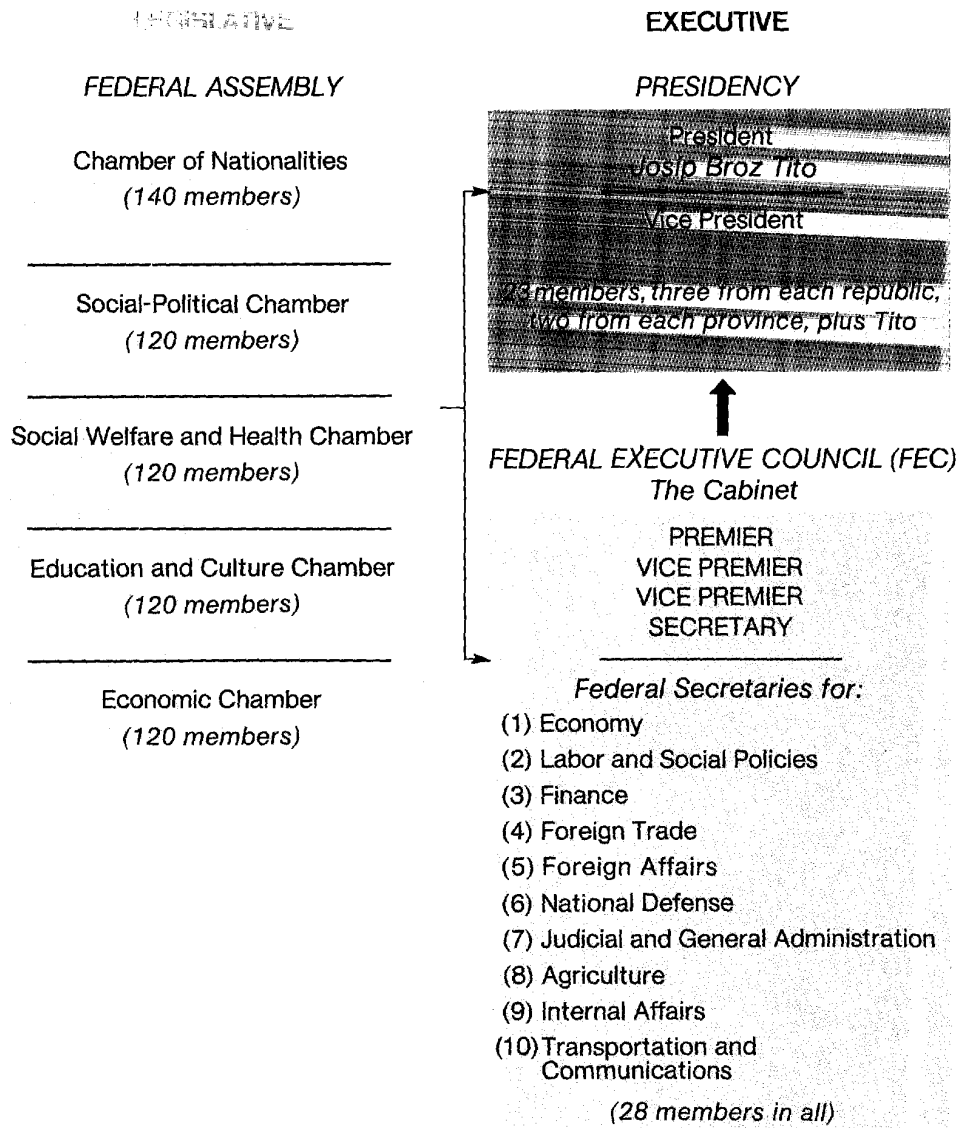
The real crunch in the succession period will, of course, come in the party. It is the party that will determine how power is divided up and exercised after Tito. In 1969, Tito created a party executive bureau, designed to bring together in Belgrade the best talent available from the center and from each republic and province. It was also designed to give an equal voice to Yugoslavia's various ethnic groups at the highest decision-making level.

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## Executive and Legislative Branches of Yugoslavia



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In three turbulent years, the executive bureau has undergone extensive reorganization. Today, it is the collective body responsible for taking much of the party work off Tito's shoulders; eventually, it is expected to provide the Yugoslav leadership in the succession period.

Today, the bureau is made up of eight men, one from each of the six republics and one from each of the two autonomous provinces. The average age of its members is 50.6 years; four of them are lawyers or economists, one is a teacher, one a veterinarian, one a philosopher and one has a background in political science. They bring together a wide range of experience and expertise. Fadil Hodza, for example, is a specialist in Albanian affairs. He is trusted and well liked by the vast majority of Yugoslavia's nearly one million Albanians. Kiro Gligorov is the official spokesman for the nation's complicated economic reform.

On present form the person most likely to take up Tito's party mantle is the young and energetic Stane Dolanc. A Slovenian, Dolanc has both organizational and ideological competence. He is one of the original executive bureau members and has gained Tito's confidence not only through hard work and devotion to the party, but also through his ability to tailor party action quickly to Tito's wishes. On numerous occasions Dolanc has spoken for Tito. Last December, for example, Dolanc went on nationwide TV to explain the actions taken against the Croatian leadership. He remained in the forefront throughout the turbulence of December and January, translating Tito's words into action. Dolanc's critics call him a hatchet man. Friends respond that he genuinely believes in the need for a strong party capable of holding Yugoslavia together. He does not, as some critics imply, advocate a return to Soviet-style centralist rule. Like many of his fellow Slovenes, Dolanc is greatly concerned that the centrifugal forces of regionalism endanger the federation.

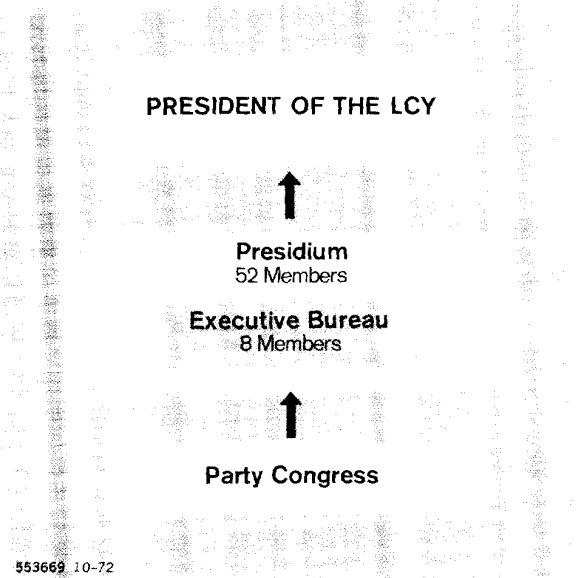
Edvard Kardelj, the party's intellectual is not likely to succeed Tito, but will wield considerable influence on the next party chief. He is the last of Tito's close, wartime colleagues to remain in prominence. Kardelj is the father of the nation's

peculiar form of socialism, the guiding light behind Belgrade's nonaligned posture, and the chief architect of Yugoslavia's current decentralizing constitutional reforms.

### **The Government**

Two years ago Tito astonished the faithful in Zagreb with a call for a collective presidency. Speaking with candor, Tito said the time was ripe to prepare for the succession.

"There should be a collective president in Yugoslavia which bears full responsibility for what is happening," he said. "This is the only solution to preserve our unity."



Under Tito's new scheme, others should begin to lift the burden of leadership from him, teamwork and cooperation would be the rule, Yugoslavia's diverse nationalities would be equal, no one group would dominate another. In this manner Tito set in motion a radical reform designed to give all the republics and provinces a

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sense of equal participation in the highest levels of government.

Tito's collective presidency is modeled after the Swiss. Twenty-three men make up the collective presidency—himself, three representatives from each of the country's six republics, and two from each of the two autonomous provinces. Each member of the presidency is charged with representing his local interests and, in addition, helps run the government.

With the creation of the collective presidency, the position of vice president was established. The post is significant because the incumbent automatically becomes caretaker president

#### Rotation of the Vice Presidency

1971-72 Krste Crvenkovski, a Macedonian  
 1972-73 Rato Dugonjic, a Serb from Bosnia-Herzegovina  
 1973-74 A Slovene  
 1974-75 A Serb  
 1975-76 A Croat  
 1976-77 A Montenegrin  
 1977-78 A Vojvodinian

*The rotation will start over in 1978 and an Albanian will not hold down the post until 1985. Presumably, once Tito is gone the titular post of president will rotate in a similar fashion.*

when Tito departs. The vice presidency rotates annually among the presidency's members according to a predetermined pattern. First to be vice president was a Macedonian, Krste Crvenkovski, who served from August 1971 to August 1972. He is well educated, aggressive, and intelligent, and, during his tour as vice president, clearly established himself as one who will play a key role in the succession period. Were Tito to die this year, the caretaker president would be the current vice president, Rato Dugonjic, a Serb from Bosnia-Herzegovina. Dugonjic has experience in internal and foreign affairs as well as in youth work, an area of prime concern for the regime.

Another feature of Tito's new system of governance, Yugoslav leaders are expected to substitute persuasion for coercion and to be practical instead of pedantic. They must be articulate, playing to their audiences and maintaining a good public image. Ideology must not stand in the way of getting the job done. They must be politicians more akin to those in the West than in the East.

Foreign Minister Mirko Tepavac, Finance Minister Janko Smole and Vice Premier Anton Vratosa are examples of the new breed. They will play important roles in running Yugoslavia after Tito. The first two are exceptions to the rotation policy and are serving their second consecutive terms in office. They have gained respect both at home and abroad.

Of the three, the most ambitious is Vratosa. An outspoken supporter of Yugoslavia's self-managing socialism and nonaligned foreign policy, the sheer force of his personality assures him a role in the post-Tito politicking. Smole, a former deputy director of the International Bank for Reconstruction and Development, is well known and liked in international financial circles. His arrogance in dealing with fellow Yugoslavs, however, could prove his undoing in the politics of succession. Tepavac is probably the most liberal of the three. His sometimes unorthodox ideas are reinforced at home by his actress wife Renata. She is a far cry from the Mrs. Khrushchev stereotype of a Communist leader's wife. This beauty is a theater buff and has lent her name and talents to Belgrade's avant garde theater, Atelje 212. Her poise and charm have been a major asset to Tepavac on his way up.

Although not in the limelight at present, Mijalko Todorovic promises to figure prominently in the succession period. He has been shuffled off to the unpromising job of president, but as a long-time confidant of Tito's, will very likely be back. He captured headlines four years ago with his virulent criticism of the Soviets for occupying Czechoslovakia.

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### The Military

Yugoslavia's leaders may range from liberal to conservative, but they are united in a belief that the nation's future depends on federation. Nowhere is the federalist feeling stronger than in the military. The armed forces have long been faithful supporters of Tito and his policies. The officer corps has come to view itself as holding a privileged position in the power structure. They were confirmed in this belief last December when Tito sought and obtained [redacted]

[redacted] endorsement for his move to put down Croatian separatism. The Zagreb military commander was among the first to come out in support of Tito's actions. No military leader has been more outspoken in opposition to localism and support of federalism than Colonel General Viktor Bubanj, who is clearly going places in the armed forces. He is well versed in political and economic affairs, and an aggressive, natural leader. He has been chief of staff since January 1970. In this capacity he frequently sees Western diplomats. [redacted]

Defense Minister Nikola Ljubicic is another military figure who will have a voice in what happens after Tito. He is articulate, and Tito has used him more than once, both at home and abroad, to propagate and defend national policies. Ljubicic is intensely loyal to the federation and would support the politician he felt best able to hold Yugoslavia together. A third military figure whose voice will be heard in the succession period is Colonel General Ivan Miskovic. He has Tito's ear, indeed, he was made special adviser to the President on questions of security in the wake of the Croatian political upheavals. Miskovic's position is strengthened by the fact that his brother Milan is a member of the state presidency. [redacted]

Some who have met Miskovic describe him as pro-Soviet. A better description would be that he is politically conservative and harbors strong reservations about the value of, and need for, decentralizing power. His views on running a Communist state are closer to Moscow's than are those of his colleagues, but this should not be over-emphasized.

### Problems That Will Live After Tito

Economic rivalries, ethnic animosities and foreign meddling plague Yugoslavia now and will continue to do so in the succession period.

The path of Yugoslavia's recent history is paved with economic problems. The widening gulf between a relatively affluent urban society on the one hand and an agricultural population on the other is a constant irritant. The gap between the relatively well-developed north and west and the depressed south and east, is another critical problem. This regional disparity is a major source of rivalry, distrust and envy. It feeds the nation's ancient and bitter ethnic animosities. 25X1 25X1

Belgrade has worked hard on overcoming this problem, but it is still there. The government now admits its program of channeling investment funds to backward areas will require a considerable gestation period before it produces results. Regional squabbling will afflict Yugoslavia as long as these economic disparities exist. The problem will not be solved in Tito's lifetime and will be a major concern to those who follow him. 25X1

No nation in Europe is more plagued with deep-rooted ethnic hatreds than is Yugoslavia. Tito's leadership and the sheer force of his prestige and personality kept the problem at bay throughout most of the postwar period. Although designed in part to ameliorate these animosities, the freer political climate accompanying Tito's efforts to build for the future has permitted them to be expressed more openly and vigorously. As a result, frictions have increased instead of declined. The latest and most serious example was the political upheaval in Croatia. It showed that, after 27 years in power, Tito had not managed to build a federation in which constituent ethnic groups put aside regional differences in the interest of the nation as a whole.

The magnitude of the move against the Croatian leaders last December left many Yugoslavs bewildered and stunned. More than 600 Croats lost their jobs at that time, and many feared Tito's new system had been endangered by Tito's own actions. Confusion within party ranks was heightened by Tito's vacillating and then by

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his highhanded circumvention of the system he had built, as well as his failure to lay out clear-cut party directives.

In the wake of Croatia, Belgrade has moved against regional chauvinists throughout Yugoslavia. This summer witnessed trials not only in Croatia, but in Serbia and Macedonia as well. The party executive bureau announced in mid-September that measures to ensure discipline will henceforth include sending "teams" to local republic, provincial, and army party units.

A great deal more needs to be done. Time is needed to correct past mistakes and to heal the wounds of the Croatian crisis last year. Time is one thing Tito does not have. He is 80. There is no easy or quick solution to the complex problem of regionalism, and it is not likely to be solved within the aging leader's remaining years. Tito has brought to the fore leaders who recognize the need for a federation of equal nationalities, but the mammoth task of instilling this idea in the average Croat or Serb still remains to be done. It will take all the skill and cunning that can be mustered to guide Yugoslavia through this wilderness that Tito scarcely penetrated.

Tito's successors will be subjected to machinations from a number of foreign sources, principally the USSR. The Soviets have learned to live with, even grudgingly accept, the Yugoslav heresy. Moscow hopes that Yugoslavia's march toward orthodox Soviet-style Communism will be resumed after the heretic Tito leaves. Moscow may even anticipate that Tito's hard-pressed heirs will turn to the Soviet Union for advice and help in dealing with the serious economic difficulties and nationality rivalries. The Soviets have at least temporarily patched up their differences with Tito and are using this opening to jockey for a better position in the post-Tito Yugoslavia. In return for large development credits Moscow recently joined the West in gaining the right to bypass federal authorities and deal directly with local enterprises. Over the long run, these footholds may prove very useful in insinuating Moscow's views and positions into Yugoslavia.

Radical, anti-Communist Croatian emigres have taken heart from Yugoslavia's recent problems with nationalism and have intensified their campaign for an independent Croatia through guerrilla warfare, propaganda, and air piracy. These actions are part of a pattern of the upsurge in terrorism that began in 1971 with the murder of the Yugoslav ambassador to Sweden, Vladimir Rolovic, and terrorism will continue into the succession period. Croatian emigres are based in Austria, Sweden, Canada, West Germany, the US, and Australia. Belgrade has made it clear that failure of these host countries to clamp down on the emigres will have a negative affect on bilateral relations. The problem may become an even greater irritant in the succession period than it is today because the emigres will see Tito's passing as a green light.

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Josip Broz Tito, described by some as the first and last Yugoslav.



#### Outlook

Tito kicked off the politics of succession by calling for the creation of a collective presidency and for a further decentralization of power from Belgrade to the republics and provinces. One constitutional reform has been passed and a second is

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being debated. Regionalism last winter presented Tito with his most serious internal threat since the conclusion of World War II. It was a dramatic, if not traumatic, period for the Yugoslavs. From it, however, a better picture of the succession emerged.

When Tito goes, collective leadership will be accepted. Leadership of the government will pass to the vice president who will become caretaker head of state. The presidency is then supposed to rotate on an annual basis along predetermined lines. In the shakedown period it may well do so. In the party, the succession is less clear but probably will be fought out in the executive bureau. The best bet is that the bureau's secretary will be Tito's heir.

Tito is banking heavily on the common fear of foreign meddling, and on the accepted wisdom that Yugoslavia's constituent republics and provinces cannot go it alone, to draw the nation's talented leaders together for the common good. Yugoslavs often fight bitterly among themselves, but there is a genuine pride in the nation's post-

war accomplishments. Nothing unites them as quickly as the threat of foreign intervention.

Collective executive bodies, troikas and councils of state have not historically proven durable. For the short run, however, that is what appears in store for Yugoslavia. At this time no politician has the prestige or backing to fill Tito's shoes. Barring the unexpected, however, the chances are good that the federation probably will hold together after Tito's passing, difficult as that will be, and that Tito's system will function well enough to keep Belgrade's nonaligned, self-managing system afloat in the immediate succession period. The real test will come several years after Tito is gone. Then, heightened frictions among the regions or increased foreign meddling could bring about an informal alliance between conservative leaders and the military to produce a more tightly controlled, centralized Communist state. Then, more than likely, some individual will emerge to dominate the system.

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